



ENERGY SITUATION ANALYSIS REPORT: Y2K January 6, 2000

U.S. Energy Information Administration

	Yesterday's Closing Price (1/5/2000)	Closing Price in Previous Issue (12/30/1999)	5-Year Max Closing Price (11/22/1999)	5-Year Min Closing Price (12/10/1998)	5-Year Average Closing Price
WTI Spot Price	\$24.65	\$25.76	\$28.03	\$10.82	\$18.89

New Developments

Oil Markets

- Crude oil prices fell in the first two trading days of 2000, reflecting a combination of mild weather, concern over the aftereffects of Y2K stockpiling, and a smaller-than-expected inventory draw for the last week of 1999. Product prices were propped up briefly by reports of problems at several refineries (see below), but were pulled down by crude oil weakness and expectations of lower demand in the coming weeks. (EIA)
- U.S. crude oil and distillate stocks declined 1.8 and 3.4 million barrels, respectively, continuing below the normal range. As of the end of 1999, the U.S. had 290.3 million barrels of crude oil and 119.7 million barrels of distillate in primary storage. Total motor gasoline stocks slipped a little further below the low end of the normal range, losing 0.8 million barrels to end the year at 192.0 million barrels. (EIA)
- The table below provides a summary of refinery outages reported this week. Together these outages do not appear to threaten petroleum supply or prices. (Reuters)

Company	Location	Problem	Size of Outage	Offline	Restart
Coastal	Eagle Point NJ	Power Outage	140,000 B/D	Jan. 5	Jan.5 (15 min.)
Coastal	Corpus Christi TX	Cat Cracker Fire	20,000 B/D	Dec. 31	?
Equilon	Wood River IL	Crude Unit Leak	200,000 B/D	Dec. 30	Jan. 5
Motiva	Norco, LA	Power Outage	225,000 B/D	By Jan. 1	Fully by Jan. 7

- The American Petroleum Institute's Y2K coordinator and Texaco's chief technology officer said yesterday that preparations undertaken by oil companies for Y2K would have long-term benefits in terms of improved efficiency and adoption of emergency response plans for such events as hurricanes in the Gulf of Mexico or other natural disasters. (Dow Jones)
- According to the United Nations, Iraq reportedly exported a near-record 2.66 million barrels per day of crude oil during the week ending December 31, 1999. Iraq had exported 1.8 million barrels per day the previous week. (Reuters)

- Venezuelan Energy Minister Ali Rodriguez said yesterday that Venezuela had no intention of increasing its oil output to raise revenues in the aftermath of the country's worst-ever natural disaster -- floods and mudslides which killed tens of thousands of people in December. Comments by Rodriguez last week had caused oil traders to suspect that Venezuela was considering hiking its oil production. (Reuters)

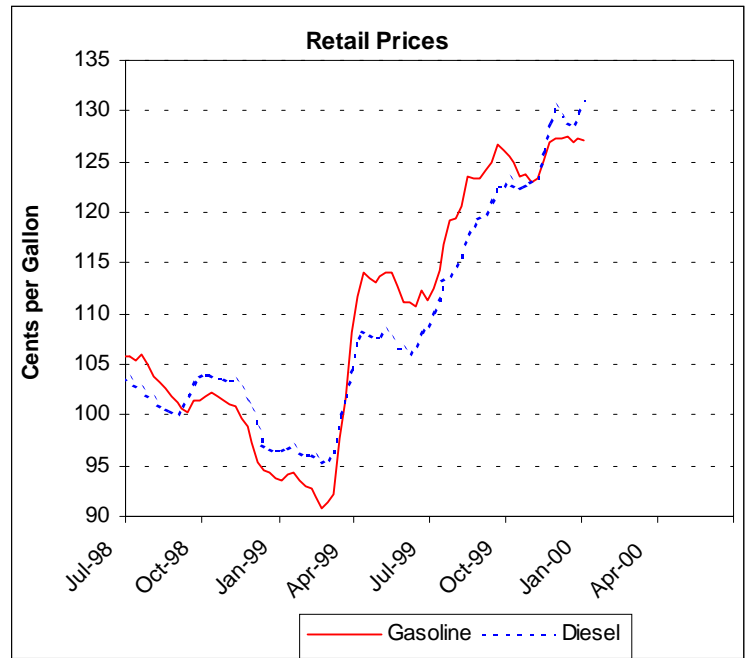
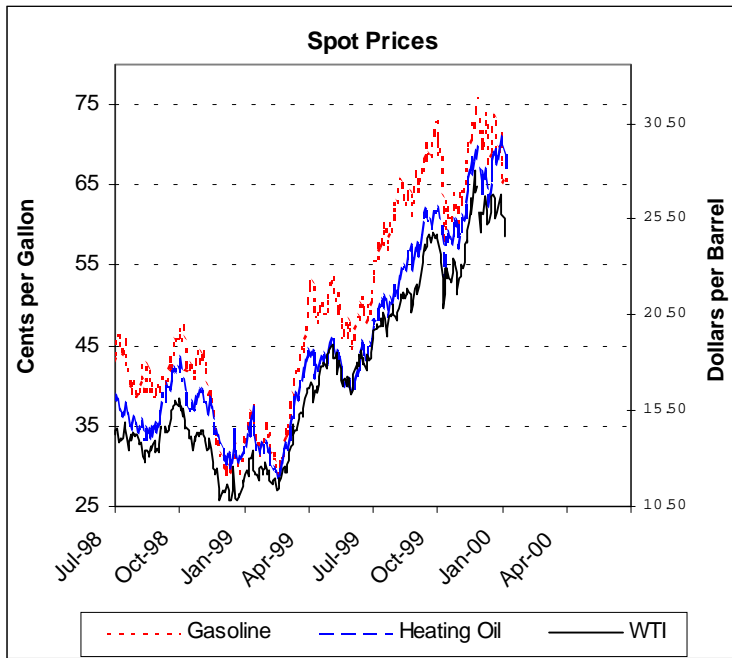
Natural Gas

- Net storage withdrawals for the week of December 31, continued above 100 billion cubic feet (Bcf). Even after the total net withdrawal of 133 Bcf, storage facilities remain 75% full with an estimated volume of 2,442 Bcf remaining in underground storage at the end of the month. The spot price at the Henry Hub traded at \$2.165 per million Btu (MMBtu) on Wednesday, down \$0.110 per MMBtu from Monday's price of \$2.275 per MMBtu, and virtually equal to the February futures contract which closed Wednesday at \$2.168 per MMBtu. The rough equality of spot and NYMEX futures prices provide an incentive to rely on current gas production rather than storage. Although wellhead freeze-offs (malfunctions caused by cold weather) occurred yesterday in the San Juan Basin, regional prices were only slightly affected and generally are consistent with other regions. (EIA)
- R. Skip Horvath, president of the Natural Gas Supply Association, said yesterday that the gas industry, "in ferreting out the Y2K problem...came across other inefficiency problems" and that "everyone feels that we're a more efficient industry as a result" of fixing them. (Dow Jones)

Electricity/Coal

- U.S. coal production totaled 18.9 million short tons during the week ended December 25, 1999. This was 15% lower than in the previous week, and 25% higher than in the comparable week in 1998. Production east of the Mississippi River totaled 8.5 million short tons, and production west of the Mississippi River totaled 10.4 million short tons. (EIA).
- Tokyo Electric Power Company (Tepco) said yesterday that minor Y2K-related glitches at the Fukushima #2 and Kashiwazaki Kariwa nuclear power plants had been corrected. Tepco officials said that the glitches had no effect on power generation operations. (Dow Jones)

U.S. Petroleum Prices



Date	\$/Barrel	Cents/Gallon							
	Crude Oil	Gasoline	Heating Oil	Kerojet	Propane	EIA Weekly Retail		SHOPP Winter Fuels	
	WTI Spot Cushing	Spot NYH	Spot NYH	Spot NYH	Spot Mt. Belvieu	U.S. Average		Residential	
11/22/99	28.03	74.65	69.00	73.93	45.88	126.90	128.90		
11/23/99	26.91	74.55	68.25	73.75	44.88				
11/24/99	27.22	75.80	69.45	74.95	45.00				
11/29/99	25.84	73.00	66.88	72.63	43.25	127.40	130.40		
11/30/99	24.87	69.22	64.02	70.17	41.38				
12/1/99	25.01	70.19	64.55	71.10	39.63				
12/2/99	25.88	71.63	66.55	72.98	41.75				
12/3/99	25.71	70.13	65.82	72.02	42.38				
12/6/99	26.67	72.38	66.91	73.33	42.88	127.3	129.4	110.9	99.6
12/7/99	26.36	72.63	65.57	73.32	42.25				
12/8/99	26.69	73.88	65.93	72.93	40.00				
12/9/99	26.00	71.38	63.83	70.82	41.50				
12/10/99	25.21	67.78	62.43	69.43	40.50				
12/13/99	25.37	68.55	63.50	70.63	40.75	127.5	128.8		
12/14/99	25.87	69.15	65.43	72.43	40.88				
12/15/99	26.28	70.05	66.98	73.48	42.63				
12/16/99	26.24	72.13	68.23	74.98	43.25				
12/17/99	26.76	73.65	68.75	75.50	43.50				
12/20/99	26.55	73.12	68.93	75.68	44.25	126.9	128.7	112.1	100.7
12/21/99	26.34	72.78	69.63	76.38	44.13				
12/22/99	25.51	68.69	67.63	74.13	43.88				
12/23/99	25.86	69.57	68.18	74.68	43.75				
12/27/99	26.36	69.31	69.85	76.53	44.25	127.3	129.8		
12/28/99	26.81	71.60	70.70	77.38	44.75				
12/29/99	26.41	67.75	70.35	78.23	45.75				
12/30/99	25.76	65.30	69.82	77.95	45.75				
1/3/00	NA	NA	NA	NA	NA	127.2	130.9		
1/4/00	25.56	65.75	68.68	78.30	42.25				
1/5/00	24.65	64.93	67.05	77.10	42.60				

U.S. Petroleum Supply

Energy Situation Analysis Report U.S. Petroleum Supply

(Thousand Barrels per Day)	Four Weeks Ending		vs. Year Ago	
	12/31/99	12/31/98	Diff.	% Diff.
Refinery Activity				
Crude Oil Input	14,516	14,840	-324	-2.2%
Operable Capacity	16,300	15,951	349	2.2%
Operable Capacity Utilization (%)	89.5%	95.1%	-5.6%	
Production				
Motor Gasoline	8,341	8,406	-65	-0.8%
Jet Fuel	1,578	1,611	-33	-2.0%
Distillate Fuel Oil	3,407	3,431	-24	-0.7%
Imports				
Crude Oil (incl. SPR)	8,015	8,352	-337	-4.0%
Motor Gasoline	472	559	-87	-15.6%
Jet Fuel	103	130	-27	-20.9%
Distillate Fuel Oil	195	245	-50	-20.4%
Total	9,751	10,258	-507	-4.9%
Exports				
Crude Oil	110	90	20	22.2%
Products	860	803	57	7.1%
Total	970	893	77	8.6%
Products Supplied				
Motor Gasoline	8,659	8,451	208	2.5%
Jet Fuel	1,643	1,749	-106	-6.1%
Distillate Fuel Oil	3,980	3,484	496	14.2%
Total	19,857	19,419	438	2.3%
Stocks (Million Barrels)				
	12/31/99	12/31/98	Diff.	% Diff.
Crude Oil (excl. SPR)	290.3	323.9	-33.6	-10.4%
Motor Gasoline	192.0	215.5	-23.5	-10.9%
Jet Fuel	40.9	44.7	-3.8	-8.5%
Distillate Fuel Oil	119.7	156.0	-36.3	-23.3%
Total (excl. SPR)	943.5	1,076.5	-133.0	-12.4%

